



Yuexiu Property Monthly Update Issue 9 2015



I. Operating Data (Unaudited)

Contracted Sales Value Grew 71% Year-on-Year to RMB2.335 billion in August
Aggregate Contracted Sales Value Reached RMB15.288 billion
from January to August 2015

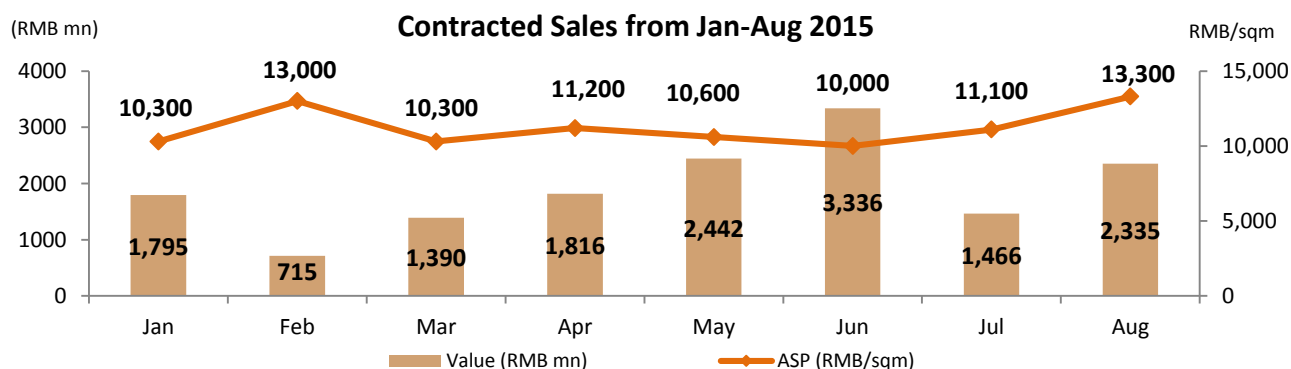
Yuexiu Property Company Limited (“Yuexiu Property” or the “Company”) (HKEx Stock Code: 00123) registered contracted sales (“contracted sales” include contracted sales by joint venture projects) value of approximately RMB 2.335 billion, representing a year-on-year increase of approximately 71% and a month-on-month increase of approximately 59%. Contracted sales gross floor area amounted to approximately 175,100 sq.m., representing a year-on-year increase of approximately 40% and a month-on-month increase of approximately 32%.

For January to August 2015, the aggregate contracted sales value amounted to approximately RMB15.288 billion, representing a year-on-year increase of approximately 15%. The corresponding contracted sales GFA amounted to approximately 1,397,400 sq.m., representing a year-on-year increase of approximately 29%. The aggregate contracted sales value accounted for approximately 62% of the 2015 contracted sales target of RMB24.8 billion.

From January to August 2015, the aggregate value of contracted sales and preliminary sales (formal sales contracts which are expected to be entered into soon) was approximately RMB16.232 billion and the GFA of contracted sales and preliminary sales totaled approximately 1,475,700 sq.m..

According to the Company’s project launch schedule for 2015, the contracted sales performance for the period from January to August 2015 was in line with the expectation of the management.

Yuexiu Property Held 2015 Interim Results Announcement Presentation



II. Other News

Yuexiu Property Exercises Call Option on Two Hangzhou Projects to Capitalize on Hangzhou's Recovering Real Estate Market and Drive Sales Growth

Yuexiu Property announced on 31 August that it has acquired a 90% equity interest in a project company which holds Hangzhou Starry Joy City at a consideration of approximately RMB373 million, and acquired a 80% equity interest in another project company which holds Hangzhou Victory Center at a consideration of approximately RMB195 million, from its joint venture partners, which are investment funds. Since 2015, the PRC government introduced a series of favorable policies that promotes healthy development of the real estate market, these policies contributed to the rebounding of the Hangzhou property market in terms of price and volume. Both projects on which the Company exercised call options are of small scale with high asset turnover ratio. Hangzhou Starry Joy City has been launched into the market while Hangzhou Victory Center is also expected to be put up for sale soon. The acquisition will enable the Company to capitalize on the current recovery of Hangzhou's real estate market and help accelerate the growth in sales and cash inflow.

Since 2013, Yuexiu Property started to partner with investment funds, and acquired five quality land parcels in Hangzhou, Foshan, Wuhan and Guangzhou. By exercising call options on the two projects in Hangzhou, Yuexiu Property has successfully exercised call options on four of the five joint venture projects. The remaining project in Wuhan Jingwu Road also progresses well by putting its first batch of products up for sale recently and they have been welcomed by market. The successful exercising of call options on the four projects demonstrated the unique advantage of the Company's partnership with investment funds. Firstly, the Company has been integrating resources when acquiring lands. This has enhanced its financial flexibility and enabled it to obtain quality land reserve while maintaining a relatively low gearing ratio. Secondly, through the arrangement of call options, the Company is able to effectively shorten the projects' production cycle, and thus accelerate their asset turnover rate. In the future, Yuexiu Property will continue to improve the model of cooperating with the investment funds and explore new means of developing projects in order to grow by leaps and bounds.

Yuexiu Property Announces 2015 Interim Results Operating Results Achieved Stable Growth and Contracted Sales Reached Record High

Yuexiu Property Company Limited and its subsidiaries (collectively the "Group") announced its interim results for the six months ended 30 June 2015 on 20 August. In the first half of 2015, the Group realized revenue of approximately RMB6.625 billion, representing a year-on-year increase of 4.7%. Total revenue (including proceeds from disposal of investment properties) was approximately RMB6.841 billion, an increase of 7.9% comparing with the corresponding period of last year. Profit attributable to equity holders was approximately RMB1.198 billion. Core net profit (excluding fair value gains on revaluation of investment properties and foreign exchange gain/loss) was approximately RMB730 million. The average funding cost continued to decrease by 0.05 p.p to 5.02% from 2014 during the first half of the year. Overall financial profile remained healthy and satisfactory while the financial structure was further optimized. The Board proposed to declare an interim dividend of HK\$0.029 per share for 2015.

Yuexiu Property Held 2015 Interim Results Announcement Presentation



Yuexiu Property Named “China’s Outstanding Property Developer” for the 7th Consecutive Year

On 8 September, Economic Digest, a renowned financial magazine in Hong Kong, held an award ceremony in Hong Kong. Yuexiu Property alongside other leading real estate companies including Vanke, Country Garden were awarded “2015 China’s Outstanding Property Developer”. It is the seventh consecutive year for Yuexiu Property to receive this award since 2009, which once again demonstrated the capital market’s recognition to the Company and further enhances the Company’s reputation in the capital market.

Yuexiu Property was under rapid development in recent years and achieved a steady growth in operating results during the first half of 2015 with another record high contracted sales. It successfully established a high-end development model of “Development + Operation + Securitization” and expanded its business by the double wheels of “Residential Properties + Commercial Properties”. It also caught the attention of investors through its consistent breakthroughs in the reform of mechanism and structure, as well as the cooperation model. Being recognized again as “China’s Outstanding Property Developer” this year will further enhance the Company’s position and influence in the capital market.

III. Project Introduction

Hangzhou Starry Joy City and Hangzhou Victory Center

The Company and joint venture partner jointly acquired Hangzhou Starry Joy City in January 2014, and achieved the high asset turnover strategy of “acquiring land and starting construction and sales of properties in the same year”. Situated near the downtown of Hangzhou, the project’s lifestyle needs are well-accommodated with nearby facilities including educational institutions, rivers and parks. Hangzhou Starry Joy City also enjoys a convenient transportation network as it is also located near the Xinyue Road Station on Metro Line 2, which is currently under construction, and thus has huge potential for appreciation. The project received an overwhelming response since its launch in October 2014, which has effectively boosted the Company’s overall sales.

The Company and the joint venture partner jointly acquired Hangzhou Victory Center in June 2013. The project is situated by the river and comprises two blocks of 18-storey diamond-shaped towers and four blocks of detached villa-style office buildings with other commercial facilities. Hangzhou Victory Center, as a core commercial ancillary project of Qianjiang New Town, has enormous potential for future growth. The project is expected to be launched for sale in the second half of 2015.

Yuexiu Property Named China’s Outstanding Property Developer



Hangzhou Starry Joy City



Hangzhou Victory Center



IV. Recent Research Report

Date of Report	Broker
2015-08-24	UOB Kay Hian
2015-08-24	BOCOM
2015-08-21	Deutsche Bank
2015-08-21	Citi
2015-08-21	DBS Vickers
2015-08-21	BOCI
2015-08-21	Mizuho
2015-08-20	Morgan Stanley

V. Recent Investor and Media Events

Event	Date	Location
Yuexiu Property 2015 Interim Results Roadshow	2015-09-09~10	Singapore
Yuexiu Property 2015 Interim Results Roadshow	2015-08-21	Hong Kong
Yuexiu Property 2015 Interim Results Announcement	2015-08-20	Hong Kong

VI. Upcoming Investor and Media Events

Event	Date	Location
Citi's 10th China Investor Conference	2015-11-4~5	Macau
Morgan Stanley Fourteenth Annual Asia Pacific Summit	2015-11-17~19	Singapore

About Yuexiu Property

Yuexiu Property Company Limited (HKEx Stock Code: 00123) was listed in Hong Kong in December 1992. The Company's main business is property development and investment with its operations mainly concentrated in the Guangzhou area. It is gradually expanding its business to Pearl River Delta, and branching out to select locations in the Yangtze River Delta, Bohai Rim Economic Zone and Central Region. As of 20 August 2015, the Company's combined GFA of properties under development and undeveloped properties was approximately 14.77 million sq.m..

Disclaimer

The Company wishes to remind investors that the above operational statistics are based on the Group's internal records which are unaudited. Differences may arise between such statistics and the data disclosed in subsequent audited financial statements. Such statistics are provisional and for reference purposes only. Investors are cautioned not to rely unduly on such statistics.

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